GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3475
ANSWERED ON:16.04.2002
PAYMENT CORPORATION TAX BY FICC
RAGHUNATH JHA

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that fertilizer Industry Co-ordination Committee (FICC)paid Rs. 2731.25 crore towards an element of corporation tax without ascertaining the actual payments between 1991-92 and 1996-97 as pointed out previously by C&AG in its report for the year ended March, 1991 & 1992;

(b) if so, the reasons therefor; and

(c) the manner in which the Government propose to deal with the matter ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI S. B. MOOKHERJEE)

(a) to (c): As per the pricing policy parameters approved by the competent authority, the return on networth is provided grossing up the prevailing rate of corporate tax to provide return of 12% post tax. Any benefit earned due to the difference between the notional tax and the actual tax paid is not reckoned in the determination of retention price of indigenous urea manufacturing units as the same has not been contemplated in the existing pricing policy/parameters.